

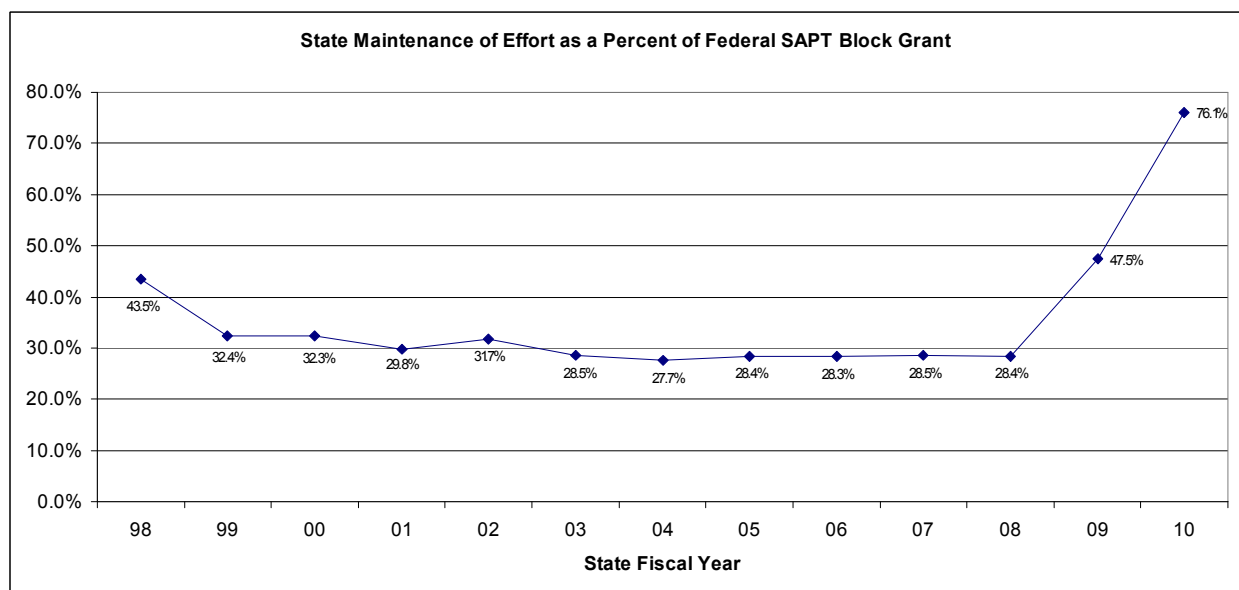
**Department of Health and Human Services  
Division of Mental Health and Developmental Services  
Substance Abuse Prevention and Treatment Agency (SAPTA)  
Substance Abuse Prevention and Treatment Block Grant (SAPT)  
Maintenance of Effort (MOE) Fact Sheet  
January 2007**

Section 1930 of the Public Health Service Act requires “The principal agency of a State to maintain aggregate State expenditures for authorized activities at a level that is not less than the average level of such expenditures for the two year period proceeding the fiscal year for which the State is applying for the grant.”

Currently over 60% of SAPTA’s \$22 million annual budget comes from the SAPT Block Grant. Over 80% of the budget from all federal sources. A requirement of the SAPT block grant is that a Maintenance of Effort (MOE) is maintained. The MOE is based on state expenditures which are expended through the Single State Agency (SSA) for substance abuse. It requires that a state expend a minimum of the average of the last two State Fiscal Year (SFY) expenditures in the SFY prior to the block grant application. Historically the MOE has been calculated using state general fund expenditures, which originate in SAPTA’s budget account #3170.

In any year the MOE is not met the state is penalized dollar for dollar with reductions in the block grant and an arduous delay is encountered in receiving the new block grant award due to the federal review process. This process can take up to 18 months.

The chart below outlines the agencies historic MOE requirement.



In 2003, SAPTA requested a waiver of the MOE requirement for material compliance, due to expenditures of Maximus funds for adolescent treatment. After two years the waiver was granted. A copy of the letter received from SAMHSA is attached.



DEPARTMENT OF HEALTH & HUMAN SERVICES

CC: MOE/HARRIS/GRANT

Substance Abuse and Mental  
Health Services Administration

Center for Mental Health Services  
Center for Substance Abuse  
Prevention  
Center for Substance Abuse  
Treatment  
Rockville MD 20857

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BUREAU OF ALCOHOL &  
DRUG ABUSE - CARSON CITY

JAN 27 2005

Ms. Maria Canfield  
Chief  
Bureau of Alcohol and Drug Abuse  
Health Division  
Department of Human Resources  
505 East King Street  
Room 500  
Carson City, NV 89701

Dear Ms. Canfield:

This letter is to inform you about a recent decision by Secretary Thompson regarding the State of Nevada's State fiscal year (SFY) 2002 maintenance of effort (MOE) shortfall under the Substance Abuse Prevention and Treatment Block Grant (SAPT) program. (A copy of a letter from Secretary Thompson to Governor Guinn concerning Nevada's expenditures under the SAPT block grant is enclosed.) Section 1930 of the Public Health Service Act (PHS) and its implementing regulation (45 C.F.R. 96.134) require the principal agency of a State for carrying out authorized activities funded by the SAPT block grant to maintain aggregate State expenditures for authorized activities at a level that is not less than the average level of such expenditures maintained by the State for the 2-year period preceding the fiscal year for which a State is applying for a grant.

Based on information provided by the State, the Substance Abuse and Mental Health Services Administration (SAMHSA) has preliminarily determined that during SFY 2002, the State of Nevada failed to comply with the arithmetic MOE requirement as required by statute. However, before making a final determination regarding the State's compliance with the MOE requirement, the Department of Health and Human Services considers a number of relevant factors including the State's reported service levels, past funding history, and commitment to future funding. The State reported that despite the MOE shortfalls during SFY 2002, the number of clients served remained relatively constant between SFY 2001 and SFY 2004. The State also reported that State expenditures exceeded the MOE requirement in SFYs 1999 through 2001. Additionally, both the State's SFY 2003 and SFY 2004 expenditures exceeded the MOE requirement for SFY 2002.

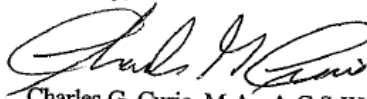
As a result of its review and analysis of information submitted by the State, SAMHSA recommended that the Secretary make a determination that the State of Nevada materially complied with the applicable statute and regulation for SFY 2002. The Secretary concurred with SAMHSA's recommendation and notified Governor Guinn that the State of Nevada materially

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complied with the MOE requirement for SFY 2002. The State of Nevada is strongly encouraged to make every effort to comply with the MOE requirements of section 1930 of the PHS Act in the future.

I appreciate the efforts of you and your staff to meet the needs of people requiring substance use treatment and prevention in Nevada, and I encourage you to proactively seek technical assistance from SAMHSA to assist you in meeting these obligations.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles G. Curie".

Charles G. Curie, M.A., A.C.S.W.  
Administrator

Enclosure



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Secretary

Washington, D.C. 20201

JAN 27 2005

The Honorable Kenny Guinn  
Governor of Nevada  
Carson City, Nevada 89701

Dear Governor Guinn:

I am writing to you in my capacity as Acting Secretary to inform you about our decision regarding the State of Nevada's State fiscal year (SFY) 2002 maintenance of effort (MOE) shortfall under the Substance Abuse Prevention and Treatment (SAPT) Block Grant program. Section 1930 of the Public Health Service Act (PHS) and its implementing regulation (45 C.F.R. 96.134) require the principal agency of a State for carrying out authorized activities funded by the SAPT block grant to maintain aggregate State expenditures for authorized activities at a level that is not less than the average level of such expenditures maintained by the State for the 2-year period preceding the fiscal year for which a State is applying for a grant.

Based on information provided by the State, the Substance Abuse and Mental Health Services Administration (SAMHSA) has preliminarily determined that during SFY 2002, the State of Nevada failed to comply with the arithmetic MOE requirement as required by statute. However, before making a final determination regarding the State's compliance with the MOE requirement, the Department considers a number of relevant factors including the State's reported service levels, past funding history, and commitment to future funding. The State reported that despite the MOE shortfalls during SFY 2002, the number of clients served remained relatively constant between SFY 2001 and SFY 2004. The State also reported that State expenditures exceeded the MOE requirement in SFYs 1999 through 2001. Additionally, both the State's SFY 2003 and SFY 2004 expenditures exceeded the MOE requirement for SFY 2002.

As a result of its review and analysis of information submitted by the State, SAMHSA recommended that the Secretary make a determination that the State of Nevada materially complied with the applicable statute and regulation for SFY 2002. The Department has concurred with SAMHSA's recommendation and has determined that the State of Nevada materially complied with the MOE requirement for SFY 2002.

The State of Nevada is strongly encouraged to make every effort to comply with the MOE requirements of section 1930 of the PHS Act in the future.

Sincerely,

Wade F. Horn  
Acting Secretary